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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

JOHNNY L. DIMONTED, asingle Person

PAID UP OIL AND GAS LEASE

(No Surface Use)

day of Till

whose addresss is 5732 to	mkczyks v	rive Carm	ichcel Cali	FMDIA 45608	lones wors pro	as Lesso
and, DALE PROPERTY SERVICES, hereinabove named as Lessee, but al	L.L.G., 2100 Koss Aver	nue, Suite 1870 Dail ling the completion of	<u>as Texas / 5201,</u> as Less blank spaces) were prepai	red jointly by Lessor and Less	siease weie pie 3e.	pared by the par
 In consideration of a cash 	bonus in hand paid and					ssee the followin
described land, hereinafter called leas	sed premises:					
			~ .			Λ Λ
ACRES OF LAND	D, MORE OR LESS	6, BEING LOT(S)	<u> </u>		_, BLOCK	
OUT OF THE PHILLIP &C	11thFast			ADDITION, AN A		
FORT WORTH		, TARRANT COL		ORDING TO THAT CE		
IN VOLUME 388	PAGE		$_$ OF THE PLAT RE	CORDS OF TARRANT	COUNTY, T	EXAS.
			v v			
in the County of <u>Tarrant</u> , State of T	FEXAS containing .	10 M	acres, more or less (includ	ding any interests therein which	h l essor may ha	ereafter acquire h
reversion, prescription or otherwise),	for the purpose of expl	lorina for, develonina.				
substances produced in association	therewith (including ge	eophysical/seismic op	erations). The term "ga	s" as used herein includes l	nelium, carbon i	dioxide and othe
commercial gases, as well as hydroc land now or hereafter owned by Less	arbon gases. In addition	n to the above-descri	bed leased premises, this	lease also covers accretions mises and in consideration of	and any small s of the aforement	itrips of parceis (
Lessor agrees to execute at Lessee's						
of determining the amount of any shut						
O This lane, which is a party of			(II.	mr H		
This lease, which is a "paid-t as long thereafter as oil or gas or other	ap" lease requiring no re	ntais, snall be in force ereby are produced in	naving quantities from the	e leased premises or from lan		ate hereof, and fo with or this lease
otherwise maintained in effect pursua	nt to the provisions hered	of.				
3. Royalties on oil, gas and oil	ier substances producer	and saved hereunde	er shall be paid by Lessee	to Lessor as follows: (a) Fo	r oil and other lic	quid hydrocarbor
separated at Lessee's separator facil Lessor at the welthead or to Lessor's	rues, the royalty shall be credit at the oil nurchas	er's transportation for	ilities provided that Lesse	%) or such production, to be shall have the continuing ric	oe delivered at i thi to purchase :	Lessee's opnoni such production :
the wellhead market price then preva	siling in the same field (or if there is no such	price then prevailing in the	ne same field, then in the nea	rest field in whic	ch there is such
prevailing price) for production of s						
production, severance, or other excis	e taxes and the costs in	ie proceeos realized Curred by Lessee in d	ny Lessee Irom ine said Jeliverina processina ar a	e mereor, iess a proportiona therwise marketing such gas	ce part or act vo or other substan	albrein taxes an ices, provided th
Lessee shall have the continuing righ	t to purchase such produ	action at the prevailing	ı wellhead market price pa	iid for production of similar qu	ality in the same	field (or if there
no such price then prevailing in the s						
the same or nearest preceding date a more wells on the leased premises or	is the date on which i.es Clands pooled therewith	see commences its p are canable of either	urchases hereunder; and producing oil or das or oth	(c) it at the end of the primary er substances covered hereb	tenn or any umo In paving quan	tities or such wel
are waiting on hydraulic fracture stimu	ulation, but such well or v	wells are either shut-in	or production there from i	is not being sold by Lessee, si	uch well or wells	shall nevertheles
be deemed to be producing in paying	g quantities for the purpo	ose of maintaining this	lease. If for a period of the	90 consecutive days such well	l or wells are sh	ut-in or productio
there from is not being sold by Less Lessor's credit in the depository design	ee, men Lessee snan pa onated below on or befo	ay saut-in royaity of d are the end of said 90	ne gonar per acre men co -day period and thereafter	overeu by ins lease, such pa on or before each anniversal	yment to be ma v of the end of s	ae to Lessor or i
while the well or wells are shut-in or p	production there from is r	not being sold by Less	see; provided that if this lea	ase is otherwise being mainta	Ined by operation	ns, or if productio
is being sold by Lessee from another	well or wells on the lea	ised premises or land	s pooled therewith, no shi	ut-in royalty shall be due until	the end of the s	90-day period ne.
following cessation of such operation terminate this lease.	s or production. Lessee	e's failure to properly	pay snut-in royally snall re	ender Lessee hable for the an	iount que, out s	naii noi operate
 All shut-in royalty payments 	under this lease shall be	paid or tendered to l	essor or to Lessor's cred	it in <u>at lessor's address ab</u>	ove or its succe	essors, which sha
be Lessor's depository agent for receidraft and such payments or lenders t	iving payments regardles	ss of changes in the o	wnership of said land. All p	payments or tenders may be n	rade in currency	, or by check or b
address known to Lessee shall consti	o cessor ar to the depos itute proper payment. If	story by beposit in the the depository should	e us mais in a siamped e Higuidate of be succeeded	d by another institution, or for	any reason fail d	or refuse (o acce
 payment hereunder, Lessor shall, at L 	essee's request, deliver	to Lessee a proper re	cordable instrument namir	ng another institution as depos	iltory agent to rea	ceive payments.
Except as provided for in Pa premises or lands pooled therewith,	ragraph 3. above, if Les	see drills a well which	is incapable of producing	in paying quantities (hereinal	ler called "dry ho ding a revision :	ole") on the lease of unit boundarie
 pursuant to the provisions of Paragr 	raph 6 or the action of	any governmental at	uthority, then in the even	t this lease is not otherwise.	being maintaine	ed in force it sha
nevertheless remain in force if Lesse	e commences operations	s for reworking an exi	sting well or for drilling an	additional well or for otherwis	e oblaining or re	storing production
on the leased premises or lands pool- the end of the primary term, or at ar	ed therewith within 90 da iv time thereafter, this k	ays after completion o	t operations on such dry h being maintained in force	iole or within 90 days after see but Lessee is then engaged	n cessation of a in drilling, rewo	u production, il a irking or any othe
 operations reasonably calculated to o 	btain or restore production	on therefrom, this leas	se shall remain in force so	long as any one or more of si	uch operations a	re prosecuted wi
no cessation of more than 90 consec	culive days, and if any s	uch operations result	in the production of oil or	gas or other substances cov	ered hereby, as	long thereafter a
there is production in paying quantities Lessee shall drill such additional wells	is from the leased premises	ises or lands pooled t or lands publied there	nerewith. After completto with as a reasonably brid	n of a well capable of product lent operator would drill under	ng in paying qui the same or sim	anones nereunge Nar circumstance
 to (a) develop the leased premises a 	as to formations then cap	pable of producing in	paying quantities on the I	leased premises or lands poo	led therewith, or	r (b) to protect th
leased premises from uncompensate		r wells located on oth	er lands not pooled therev	with. There shall be no cover	ant to drill explo	ratory wells or an
additional wells except as expressly p 6. Lessee shall have the right		nool all or any nart o	f the leased premises or i	nterest therein with any other	lands or interes	ts, as to any or a
depths or zones, and as to any or al	Il substances covered b	y this lease, either be	fore or after the commen	cement of production, whene	ver Lessee deer	ns it necessary (
proper to do so in order to prudently o	develop or operate the le	ased premises, wheth	er or not similar pooling a	outhority exists with respect to	such other land:	s or interests. Th
unit formed by such pooling for an oil horizontal completion shall not exceed						
completion to conform to any well spa	acing or density pattern t	hat may be prescribe	d or permitted by any gove	ernmental authority having juri	sdiction to do so	 For the purpos
of the foregoing, the terms "oil well" a						
prescribed, "oil well" means a well wit feet or more per barrel, based on 2	n an maiar gas-oil ratio o 24-hour production test	conducted under nor	ma! producing conditions	using standard lease separa	ator facilities or	equivalent testin
equipment; and the term "horizontal	completion" means an	oil well in which the	horizontal component of	the gross completion interva-	l in facilities or	equivalent testin
equipment; and the term "horizontal component thereof. In exercising its	completion" means an o	oil well in which the h	orizontal component of the	e gross completion interval in	the reservoir ex	ceeds the vertic
 Production, drilling or reworking open 	rations anywhere on a t	unit which includes al	or any part of the lease	d premises shall be treated a	as if it were pro	duction, drilling o
reworking operations on the leased p	remises, except that the	production on which	Lessor's royalty is calcula	ted shall be that proportion of	the total unit pro	oduction which th
net acreage covered by this lease as Lessee. Pooling in one or more Insta	of included in the unit b	lears to the total gros	s acreage in the unit, but s bereignder, and Lessea	only to the extent such prop- shall have the recurring right i	onion of unit problem	ocuction is sold to ation to revise an
unit formed hereunder by expansion	or contraction or both.	either before or after	commencement of produc	ction, in order to conform to t	he well spacing	or density patter
prescribed or permitted by the govern	nmental authority having	i jurisdiction, or to coa	nform to any productive a	creage determination made b	y such governm	ental authority. I
making such a revision, Lessee shall leased premises is included in or exc	file of record a written d	leclaration describing	the revised unit and statin	g the effective date of revision	 To the extent 	any portion of th
be adjusted accordingly. In the abser	ioueu itoin tile tinit by VI ace of production in navi	itue oi such fevision, no quantilies from a ii	are proposition of usit prod nit, or upos permanent ce	ssation thereof. Lessee may t	payable fieledfit erminate the unit	t by filing of recor
a written declaration describing the ur	it and stating the date of	termination. Pooling	hereunder shall not consti	itute a cross-conveyance of in	terests.	, <u>,</u>
_		_				

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in

such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or antit Lessee has been inhistred in the original of certified or duty authenticated copies of the documents establishing such charge or ownership to the satisfaction in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lesse, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lesse then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drillin

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fitteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No illigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and in addition to the rights of the party to whom payment is made, and in addition to the rights of the party to the p

whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's life, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence, Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's

and that then and all the parties are the parties and the parties are the part
Ву:
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Bomen
June , 2008,
C O X Qat
- Care of junt
Notary Public, State of California (A)
Notary's name (printed): CAYL T. Jant Z. Notary's commission expires: \$ _ 1268
V 1 - V
, 2008,
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DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

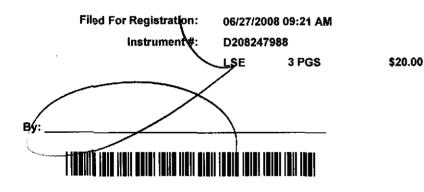
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>



D208247988

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